AO 91 (Rev. 11/11) Criminal Complaint

UNITED STATES DISTRICT COURT

for the

Eastern District of Virginia

FILED
MAR 30 2017
CLERK, U.S. DISTRICT COURT
RICHMOND, VA

United States of America
v.

Jason Eaton
Defendant(s)

Case No. 3:17mj 53

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.
On or about the date(s) of June 2016 in the county of Chesterfield in the Eastern District of District, the defendant(s) violated:

Code Section	*Offense Description*
Title 18, United States Code, Sections 1349 and 1344	Conspiracy and Bank Fraud

This criminal complaint is based on these facts:
See attached affidavit

❐ Continued on the attached sheet.

Reviewed by AUSA/SAUSA:
Katherine Lee Martin

[signature]
Complainant's signature

Edward T. O'Donnell, U.S. Postal Inspector
Printed name and title

Sworn to before me and signed in my presence.

/s/
Roderick C. Young
United States Magistrate Judge

Date: March 30, 2017

City and state: Richmond, Virginia

Roderick C. Young, United States Magistrate Judge
Printed name and title

AFFIDAVIT IN SUPPORT OF A CRIMINAL COMPLAINT AND ARREST WARRANT

I, E. T. O'Donnell, being first duly sworn, hereby depose and state as follows:

INTRODUCTION AND AGENT BACKGROUND

1. I make this affidavit in support of a criminal complaint and an arrest warrant for Jason Eaton.

2. I am a United States Postal Inspector, currently assigned to the Richmond, Virginia Field Office of the United States Postal Inspection Service. I have been a U.S. Postal Inspector since February 2003. During my career as a U.S. Postal Inspector, I have conducted numerous investigations involving violations of federal criminal law including, but not limited to, wire fraud, mail fraud and bank fraud. I have executed numerous search warrants and have made numerous arrests throughout my career as a law enforcement officer.

3. The facts in this affidavit come from my personal observations and review of records, my training and experience, and information obtained from other agents and witnesses. This affidavit is intended to show merely that there is sufficient probable cause for the requested warrant and does not set forth all of my knowledge about this matter.

4. Based on my training and experience and the facts as set forth in this affidavit, there is probable cause to believe that violations of Title 18, United States Code, Section 1349 and 1344 have been committed by Jason Eaton, Merrill Robertson, Jr., Marlon Hardy, Conspirator One, and others known and unknown.

PROBABLE CAUSE

5. This investigation is being worked jointly by the Internal Revenue Service-Criminal Investigation Division (IRS-CID), Federal Bureau of Investigation (FBI), and the United States Postal Inspection Service (USPIS). Based on the investigation to date, there is

probable cause to believe that Jason Eaton, Merrill Robertson, Jr., Marlon Hardy, Conspirator One, and others have participated in a conspiracy to commit bank fraud, and a scheme to defraud financial institutions, in violation of Title 18, United States Code, Sections 1349 and 1344.

6. During the relevant time period, Jason Eaton resided in Englewood, New Jersey.

7. On February 16, 2017, Eaton was charged with violating the terms of his supervised release in the United States District Court for the District of New Jersey.[1] Specifically, the petition alleges that Eaton violated the following conditions of his supervision: he committed another crime; he associated with persons engaged in criminal activity; he failed to make monthly payments of $300 toward his restitution obligation; and he incurred new credit obligations without the approval of his probation officer. The petition was based in part on the conduct alleged in this affidavit as the government issued Eaton a target letter related to the instant offense on January 13, 2017. Eaton was detained following his initial appearance on this petition.

8. During the relevant time period, Merrill Robertson, Jr. (along with a partner) operated a private investment company known as Cavalier Union Investments, LLC ("Cavalier"), based in Midlothian, Virginia.

9. On October 4, 2016, a federal grand jury returned an eight-count indictment charging Robertson with crimes related to an investment fraud scheme, as well as the loan fraud scheme alleged in this affidavit. Specifically, Robertson is charged with conspiracy to commit mail fraud, in violation of Title 18, United States Code, Section 1349, two counts of mail fraud,

---

[1] Eaton is currently on supervised release in the District of New Jersey for conspiring to defraud the United States by obtaining false income tax returns. He was convicted of this crime in April 2011 and sentenced to 60 months' imprisonment.

in violation of Title 18, United States Code, Section 1341, two counts of making an unlawful monetary transaction, in violation of Title 18, United States Code, Section 1957 & 2, conspiracy to commit bank fraud, in violation of Title 18, United States Code, Section 1349, and bank fraud, in violation of Title 18, United States Code, Section 1344 & 2. Robertson's case is scheduled for trial on August 14, 2017.

10. During the relevant time period, Marlon Hardy resided in St. Louis, Missouri.

11. On February 10, 2017, Hardy pled guilty to a two-count criminal information charging him with conspiracy to commit bank fraud, in violation of Title 18, United States Code, Section 1349, and making an unlawful monetary transaction, in violation of Title 18, United States Code, Section 1957. In the statement of facts accompanying his plea agreement, Hardy admitted he engaged in a conspiracy to commit bank fraud along with Jason Eaton, Merrill Robertson, Jr., and Conspirator One.[2] Marlon Hardy is scheduled to be sentenced on September 12, 2017.

12. During the relevant time period, Conspirator One resided in Alexandria, Virginia.

13. Eaton, Robertson, Hardy and Conspirator One, as well as others known and unknown, approached individuals, including Cavalier investors, and suggested that they could help these individuals obtain loans, and additional forms of credit. The conspirators then submitted and caused to be submitted falsified loan applications and other credit applications on behalf of these individuals to various financial institutions, including Navy Federal Credit Union, Member One Federal Credit Union, Pentagon Federal Credit Union, and State Department Federal Credit Union. In doing so, the conspirators made and caused to be made material

---

[2] In Hardy's statement of facts Jason Eaton is identified as Conspirator 1.

misrepresentations and omissions about the actual borrower for the loans, the purpose of the loans, the collateral securing the loans, and the borrowers' employment and financial status.

14. For example, on or about August 3, 2016, I interviewed Cavalier investors D.W. and M.W. According to D.W. and M.W., in or about June 2016, Robertson convinced them to obtain an "auto conversion loan" with Navy Federal Credit Union (NFCU), a financial institution with accounts insured by the National Credit Union Administration. Robertson assured D.W. and M.W. that he and/or others would make payments on this loan. D.W. and M.W. also discussed this loan with individuals known to them only as "Jason" and "Marlon".

15. NFCU records indicate that on or about June 16, 2016, the credit union received an on-line loan application in the name of D. W. The application indicated that the purpose of the loan was to purchase a new vehicle for $41,000, the vehicle would serve as collateral for the loan, the vin number for the vehicle ended in 8143, D.W. had been employed by Cavalier Union Investments for 16 years, and he earned a salary of $9,526 per month. In fact, D. W. admitted that he never intended to purchase a new vehicle, that he never worked for Cavalier Union Investments and he did not earn over $9,000 monthly. D. W. stated that he did not complete, submit or review this on-line loan application himself.

16. D.W. further indicated that on or about June 16, 2016, he visited a NFCU branch on Glenside Drive in Richmond, Virginia with Merrill Robertson. After D.W. signed a promissory note, he obtained a NFCU loan proceeds check payable to D.W. and Merrill Robertson in the amount of $41,000. Robertson immediately took the check to a teller at the NFCU branch and asked how much he could obtain in cash. The teller cashed the loan proceeds check and provided Robertson $20,000 in cash, and a $21,000 cashier's check payable to Merrill Robertson Jr. – certified check No. 0438989956. On or about June 17, 2016, this certified check

was deposited into a joint Bank of America (BOA) account ending in 6512 in the name of Merrill Robertson, Jr. and M.R. (Robertson's wife). From there, Robertson transferred $19,200 into Jason Eaton's BOA account ending in 0500.

17. NFCU records also indicate that a credit card was issued to D. W. with a $25,000 credit limit, and a $12,500 line of credit was approved in the name of D.W. These records show that on or about June 17, 2016, a $19,150 charge was made to D.W.'s credit card payable to a company associated with Marlon Hardy. D.W. claimed that he did not authorize this transaction, but that he did use the credit card to attend the funeral of one of his friends in North Carolina. Moreover, D.W. stated that on or about June 23, 2016, Robertson directed D.W. to withdraw $8,500 from his NFCU line of credit and provide the money to him. Robertson explained to D.W. that the money was needed to pay others involved in securing these NFCU loans, and credit card.

18. On or about September 28, 2016, I also interviewed Cavalier investor W.C. According to W.C., in or about 2015, Robertson offered to help him obtain loans and other forms of credit. NFCU records indicate that on or about June 15, 2016 the credit union received an on-line loan application in the name of W.C. The application indicated that the purpose of the loan was to purchase a new vehicle for $39,900, W.C. had been employed by Evonik Industries for 12 years, and he earned a salary of $9,374 per month. In fact, W.C. admitted that he never intended to purchase a new vehicle, that he never worked for Evonik Industries and he did not earn over $9,000 monthly. W.C. stated that he did not complete, submit or review this on-line loan application himself.

19. W.C. further indicated that on or about June 15, 2016, he visited a NFCU branch in Williamsburg, Virginia with Merrill Robertson. After W.C. signed a promissory note, he

obtained a NFCU loan proceeds check in the amount of $39,900 payable to W.C. and L.R.G. (Merrill Robertson's aunt). On or about June 17, 2016, these loan proceeds were deposited into a Bank of America (BOA) account ending in 3128 in the name of L.R.G. From there, the loan proceeds were distributed as follows: $26,700 was transferred to a BOA account ending in 0500 associated with Jason Eaton; $2,500 was transferred to a BOA account ending in 4444 in the name of M.R. (Merrill Robertson's wife); $1,700 was retained by L.R.G.; and a $9,000 cashier's check was issued payable to D.C. (W.C.'s wife). This check was mailed to Jason Eaton by Merrill Robertson and Eaton used an out of state counter deposit slip to deposit this check into L.R.G.'s account.

20. NFCU records also indicate that a credit card was issued to W. C. with a $13,200 credit limit. W. C. stated that he used this credit card for some personal purchases, but also claimed that he was charged a $6,000 fee for obtaining this card by individuals known to him only as "Jason" and "Marlon". In fact, records indicate that on or about June 22, 2016 a charge of $6,580 was made to W.C.'s credit card payable to a company associated with Marlon Hardy.

21. I interviewed Hardy on January 11, and 12, 2017. During these interviews, Hardy acknowledged that he was involved with securing fraudulent loans, and other forms of credit in the names of D.W., W.C., and others. Hardy explained that the proceeds of this bank fraud scheme were generally split as follows: Conspirator One received approximately 55% of the proceeds, the named borrower received approximately 30% of the proceeds, and Hardy, Robertson, and Eaton each received approximately 5% of the proceeds.

22. I also interviewed Jason Eaton on December 28, and 29, 2016. During these interviews, Eaton acknowledged that he was involved with securing fraudulent loans, and other forms of credit in the names of D.W., W.C., and others. Eaton also confirmed that he was an

intermediary between Conspirator One and Marlon Hardy. For example, Eaton explained that the personal information needed to secure loans in the names of D.W. and W.C. were passed from the borrowers, D. W. and W.C., to Merrill Robertson, Robertson then passed the information to Marlon Hardy, Hardy then passed the information to Jason Eaton, Eaton then passed the information to Conspirator One, who ultimately submitted the loan applications and other documents on the borrowers' behalf.

23. Both Marlon Hardy and Jason Eaton indicated that Conspirator One had a connection inside Navy Federal Credit Union that helped facilitate these fraudulent loans, and that the conspirators used BOA checking accounts to easily transfer fraud proceeds between the conspirators.

24. During the course of this investigation, I obtained bank records for a BOA account ending in 4444 in the name of M.R. (Merrill Robertson's wife), a BOA joint account ending in 6512 in the name of Merrill Robertson, Jr. and M.R., a BOA account ending in 5643 in the name of Marlon Hardy, a BOA account ending in 0500 in the name of No Hand Out Ent. LLC (an entity associated with Jason Eaton), and a BOA account ending in 2923 in the name of Streamline Enterprises, Inc. (an entity associated with Conspirator One). A review of these bank records showed numerous transfers between these accounts in the month of June when the D. W. and W. C. transactions occurred.

25. For example, on or about June 21, 2016, $14,650 was transferred from Marlon Hardy's BOA account ending in 5643 into Jason Eaton's BOA account ending in 0500. That same day, $12,250 was transferred from Jason Eaton's BOA account into Conspirator One's BOA account ending in 2923.

CONCLUSION

26. Based on the forgoing, I submit that this affidavit supports probable cause for a criminal complaint and arrest warrant be issued for Jason Eaton, in violation of Title 18, United States Code, Sections 1344 and 1349.

Respectfully submitted,

E.T. O'Donnell
U. S. Postal Inspector

Subscribed and sworn to before me on this 30th day of March, 2017.

/s/
Roderick C. Young
United States Magistrate Judge